Office of Small Business Programs

Mid-Atlantic Regional Council Meeting

Subcontracting and eSRS

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Agenda

- Subcontracting Goals and achievements
- Electronic Subcontracting Reporting System (eSRS)
- Contractor Performance Assessment Reporting System (CPARS)
- American Reinvestment & Recovery

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DOD Small Business Subcontracting History (Dollars in Billions)

		SB			SDB			HUBZone			WOSB			SDVOSB		
FY	Total Reported Subcontract Dollars	Goal	$	%	Goal	$	%	Goal	$	%	Goal	$	%	Goal	$	%
2008	$160.7	37.2 %	$50.9	31.7 %	5.0 %	$5.9	3.7%	3.0%	$3.0	1.9%	5.0%	$8.4	5.3%	3.0%	$1.6	1.0%
2007	$127.8	35.0 %	$46.0	36.0 %	5.0 %	$5.5	4.3%	3.0%	$2.2	1.7%	5.0%	$6.9	5.4%	3.0%	$1.1	.9%
2006	$106.6	35.0 %	$39.6	37.2 %	5.0 %	$5.1	4.8%	3.0%	$1.8	1.7%	5.0%	$5.8	5.5%	3.0%	$0.7	0.7%
2005	$121.0	42.0 %	$43.7	36.1 %	5.0 %	$5.4	4.4%	3.0%	$1.4	1.2%	5.0%	$6.0	4.9%	3.0%	$0.5	0.4%
2004	$101.8	42.0 %	$35.2	34.5 %	5.0 %	$4.1	4.1%	3.0%	$1.1	1.1%	5.0%	$5.0	4.9%	3.0%	$0.4	0.4%

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eSRS

- **Electronic Subcontracting Reporting System (eSRS) is part of the President's Management Agenda for Electronic Government (E-Gov)**
- **eSRS is under the Integrated Acquisition Environment (IAE) at General Services Administration (GSA)**
  - SBA is the program manager
- **eSRS eliminates the need for paper submissions and processing of Standard Form (SF) 294 and 295s**
  - Individual Subcontracting Report (ISR) replaces SF 294
  - Summary Subcontracting Report (SSR) replaces SF 295

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eSRS

- **Benefits**
  - **Allows electronic submission, acceptance, rejection, reporting and analysis of subcontracting data in a real-time paperless environment**
  - **Easily accessibly Web-based system**
  - **Improves accuracy, timeliness and integrity of data exchanged**
  - **Provides a live interface with Central Contractor Registration (CCR) that automatically populates basic vendor information based on the DUNS**
  - **Provides a live interface with Federal Procurement Data System (FPDS) that automatically populates**

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eSRS

- April 2008 DoD began using system with phased approach to deployment that included Army, DSCA, DISA and DCMA
- FAR eSRS Interim Rule published April 2008 -- updated FAR to require eSRS reporting
- October 2008 all DoD Services/Agencies using FPDS for their contracting data began using eSRS for their subcontracting reporting
- Training for DoD users is not supported by SBA and largely performed by BTA and DoD

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eSRS

- **DUSD (A&T) Memo dated July 19, 2008:**
  - Required full implementation of eSRS in Oct 2008
  - Delegated the acknowledge receipt / reject functions for ISR and SSR
  - DoD components acknowledge receipt for ISRs for contracts they administer and for contracts on which they were the procuring office, but DCMA administers
  - DoD components acknowledge receipt for SSRs for vendors for which they administer the majority of subcontracting plans
  - DCMA approves SSRs for vendors under the DoD

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eSRS

- **Deviation to FAR/DFARS issued February 12, 2009 for certain eSRS reporting requirements:**
  - eSRS does not support submitting ISR for contracts that through other authority are not required to be reported to FPDS
  - eSRS does not support submitting ISR for orders against Basic Ordering Agreements (BOA) and Blanket Purchase Agreements (BPA)
- **DoD entities deviate from FAR by using FAR 52.219-9, Small Business Subcontracting Plan (DEVIATION) to allow for SF 294s for such contracts**
- **DoD entities deviate from the DFARS by using:**
  - 252.219-7003, Small Business Subcontracting Plan (DoD Contracts) (DEVIATION)

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Which clauses do I use for eSRS?

- **FAR 52.219, Small Business Subcontracting Plan (April 2008)**
  - Include in all contracts requiring eSRS reporting (e.g. FAR class deviation does not apply)
- **FAR 52.219-9 Small Business Subcontracting Plan (DEVIATION)**
  - Use in contracts when FAR class deviation does apply due to contracts not reportable in eSRS and submission of SF 294 is required
- **DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts) (DEVIATION)**
  - Use in all contracts requiring eSRS reporting that include FAR 52.219-9 (April 2008)
- **DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts) (DEVIATION) with Alternate I when FAR 52.219-9 (DEVIATION) is used**
- **DFARS 252.219-7004, Small Business Subcontracting**

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Which clauses do I use for

*FAR/DFARS clauses for eSRS Reporting	eSRS Reporting required	DoD Class Dev. Feb 12, 2009 Applies	**DoD Comprehensive Subcontr. Plan used
FAR 52.219-9 (April 2008)	X		
FAR 52.219-9 (DEVIATION)		X	
DFARS 252.219-7003 (DEVIATION)	X		
DFARS 252.219-7003 (DEVIATION) – Alternate I		X	
DFARS 252.219-7004 (DEVIATION)			X
FAR 52.219-25 (APRIL 2008) Allows for SDB report	X	X	X

*For commercial items use FAR 52.212-5 (Apr 2008) and check these clauses

**CSP Participants began using eSRS in Apr 2008

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eSRS

- Data used by SBA to report achievements to Congress
- OSBP monitors goal achievement, reports to DoD HQ management, and provides input for the SBA Scorecard
- Goals and achievements for individual DoD components cannot be established until 2 complete Fiscal Years of data are collected in eSRS
- USD (AT&L) memo dated April 16, 2009 establishes timelines for acknowledging all eSRS reports and requires each DoD component to submit an eSRS Status Report to DPAP, OSBP and BTA

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eSRS

- **DFARS Clause 252.219-7003 (DEVIATION)**
  - ISRs:
    - Go to ACO unless ACO is DCMA
    - If ACO is DCMA, then ISR goes to PCO
  - SSRs:
    - SSRs for commercial plans go to contracting officer that approved the plan
    - One SSR goes to each DoD agency for construction and related maintenance and repair contracts
    - All other SSRs go to the DoD agency administering the majority of the contractor's individual subcontracting plans
- **Note: SSRs for CSP go to DCMA CSP Division IAW DFARS 252.219-7004**

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eSRS

- **DoD Component contracting activities must:**
  - Have modified existing contracts to require eSRS reporting as applicable and incorporate eSRS requirements into all new contract awards
  - Ensure that ISRs for contracts administered are filed and acknowledged in eSRS
  - Ensure that ISRs are accepted by PCOs in eSRS for all contracts administered by DCMA
    - If DCMA administers/monitors the subcontracting plans, will need ISRs that are accepted by PCOs
  - Ensure that SSRs received are reviewed and acknowledged in eSRS
  - Comply with eSRS Status Report requirement

CPARS

- CPARS is the DoD system used to assess contractor performance IAW FAR 42.15
- Air Force (AF) initiated action to develop a performance evaluation area in CPARS for SB Utilization
- OSBP supported initiative and assisted in development of the evaluation area and rating definitions and worked with AF and CPARS Operational Requirements Committee (ORC) to implement

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CPARS

- Recommended to CPARS ORC to electronically link eSRS subcontracting reports to CPARS so that users will be able to view the reports as they complete performance assessments (proposed)

- Past Performance Information Retrieval System (PPIRS) ORC will vote on adding the same SB Utilization evaluation area so that CPARS SB Utilization assessment data will feed into PPIRS

- Previously, CPARS coverage included small business subcontracting plan as

CPARS – SB Utilization

- New evaluation area more comprehensive assessment of contractor's utilization of SB – rather than just the achievement of goals
- Meets the past performance evaluation requirements included in FAR 42.15 and 19.7 and DFARS 215.305
- Assesses compliance with terms and conditions of the contract for Small Business participation
- Assesses compliance with FAR 52.219-8 & 52.219-9 including eSRS reporting

CPARS – SB Utilization

- **Compliance with comprehensive plan including submission of any required program specific data**
- **May require DCMA/ACO/PCO input depending on who is administering the contract or Small Business Specialist can assist**
- **Commercial plan assessment:**
  - Individual contract performance is unknown because plan and reporting is based on commercial items sold by the entire company, division, plant or product line and may be approved by another PCO

CPARS – SB Utilization

- **Ratings are same as other areas assessed but definitions of ratings differ**
  - Dark Blue/Exceptional
  - Purple/Very Good
  - Green/Satisfactory
  - Yellow/Marginal
  - Red/Unsatisfactory
- **SB Utilization also added to ACASS and CCASS**
- **For CPARS guide and other information go to:**

FLOW-DOWN REQUIREMENTS

- **DoD prime contractors must flow-down to subcontractors that are not small businesses applicable FAR and DFARS subcontracting clauses, including 52.219-8 Utilization of Small Business Concerns**
- **DoD prime contractors are responsible for**
  - Reviewing and approving their subcontractors' small business subcontracting plan

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FLOW-DOWN REQUIREMENTS

- **Degree of monitoring varies depending on circumstances as they relate to:**
  - Access to subcontractor records
  - Subcontracting dollar amount
  - The subcontractor's past performance in meeting goals
  - Other relevant factors
- **Office of Federal Procurement Policy guidance, OFPP Policy Letter 80-2, Supplement 1**
- **OSBP working on joint memo with SBA**

FLOW-DOWN REQUIREMENTS

- **Monitoring of subcontracting plan compliance by the subcontractor and subcontractors at lower-tiers must include at a minimum:**
  - Ensuring that ISRs are submitted by subcontractors when required
  - Acknowledging receipt of their subcontractor' ISRs in eSRS
  - Comparing performance of their subcontractors to subcontracting plan goals
  - Discussing performance with subcontractors when necessary to ensure their subcontractors make a good faith effort to comply with their

Status of Subcontracting Reports FY 2008 (Oct – Sept)

FY	Reports	Accepted			Pending / Revised		
		Total	Prime	Sub	Total	Prime	Sub
2008	Total ISRs	3,370	3,030	340	1,271	505	766
2008	Total SSRs	1,539	-	-	24	-	-
2008	Total Year-End	263	-	-	26	-	-
2008	Total SDB Participation	71	-	-	8	-	-

As of May 26, 2017

Status of Subcontracting Reports FY 2009 (Sept – March)

FY	Reports	Accepted			Pending / Revised		
		Total	Prime	Sub	Total	Prime	Sub
2009	Total ISRs	4,307	3,728	579	3,769	2,069	1,700
2009	Total SSRs	1,371	-	-	299	-	-
2009	Total Year-End	600	-	-	153	-	-
2009	Total SDB Participation	283	-	-	134	-	-

As of May 26, 2017

American Reinvestment & Recovery Act

- **The Recovery Act objectives are:**
  - To create and save jobs
  - Jumpstart the economy
  - Build a foundation for long-term economic growth
- **DoD intends to execute Recovery Act funds as quickly as possible to fulfill these objectives**
- **Maximizing awards to small businesses is strongly encouraged by Recovery Act**

American Reinvestment & Recovery Act

- **DoD Recovery Act funds (opportunities):**
  - Military Construction - **$2.18B**
  - Facilities Sustainment, Restoration & Mod. - **$4.26B**
  - Homeowners Assistance Fund - **$550M**
  - Near Term Energy-efficient technologies - **$300M**
  - Energy Conservation Investment Program - **$120M**

American Reinvestment & Recovery Act

- Reporting Requirements for prime contractors IAW (FAR 4.15) include:
  - Dollar amount of invoices
  - Supplies or services provided
  - Completion status of the work
  - Estimated number of jobs created or retained
  - Names and total compensation of five most highly compensated officers for the calendar year in which contract is awarded
  - Specific information on first-tier contractors

American Reinvestment & Recovery Act

- **FAR 52.204-11(d)(9) – Each quarter primes report aggregate number and total dollar amount for subcontracts**
  - <$25,000, or
  - Awarded to an individual
  - Awarded to a subcontractor that in the previous tax year had gross income <$300,000

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American Reinvestment & Recovery Act

- **FAR 52.204-11(d)(10) –First tier subcontracts funded in whole or in part by the Act that are >$25,000 and are not reportable under paragraph (9) must be reported:**
  - Name, Amount, Date, NAICS, Funding Agency, description of products or services, Subcontract Number
  - Subcontractor must provide to prime the DUNS, physical address, primary place of performance (including zip and congressional district) and names and compensation of 5

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American Reinvestment & Recovery Act

- Total DoD Awards as of 16 Oct 09
  - Actions 2996
  - Obligations **$2,607,397,511**
- Total DoD Awards to Small Businesses as of 16 Oct 09
  - Actions 2272
  - Obligations **$1,529,969,092**
- Total percentage of dollars to SB: **59%**

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- Contact DoD OSBP at 703-604-0157
- wendy.despres@osd.mil
- OSBP web site http://www.acq.osd.mil/osbp/
- eSRS
  - http://www.esrs.gov
  - dodesrshelpdesk@bta.mil and help@esrs.gov
- Defense Procurement and Acquisition Policy (DPAP)
  - http://www.acq.osd.mil/dpap/pdi/eb/electronic_subcontracting_reporting_system.html
  - http://www.acq.osd.mil/dpap/dars/class_deviations.html